

LAND BOARD AGENDA ITEM
April 17, 2006

SET MINIMUM BID AMOUNT FOR CUSTER CO. LAND BANKING PARCELS

Background:

In May, 2005 the Board approved 17 isolated and lessee nominated parcels totaling 9,585 acres in Custer County to continue through the Land Banking sales evaluation process. Since then, a cultural resource inventory and appraisal have been conducted on the parcels. Completion of the appraisals by an independent appraiser and review by the DNRC staff appraiser allows DNRC to recommend to the Board a minimum bid amount, and provides the basis for the Board to set the minimum bid amount below which value the parcels may not be sold (Section 77-2-323, MCA).

Setting the minimum bid amount for these parcels allows DNRC to notify the lessee, licensee, beneficiary, surrounding landowners, and agencies required by rule (FWP, MDT, and DEQ) that the parcels will be offered for sale at the minimum bid amount. Subsequent to this notification, DNRC can begin advertising the parcels for sale via local and regional newspapers, and by contacting land trusts, real estate agents and/or developers, where appropriate, etc.

Public Involvement:

DNRC contacted the lessees with the appraised values by phone and mail. None of the lessees requested a reappraisal.

DNRC will continue to update its land banking website to provide the public with the most current information on the sale status of nominated parcels. The public may contact DNRC or the Land Board in writing or verbally with future comments.

Agency Recommendation:

Based on the following appraised values, the Director recommends the following minimum bid amounts:

Sale Number	County	Acres	Appraised Value Without Access	Appraised Value With Access	Recommended Minimum Bid
7	Custer	640	\$150 @ ac	\$180 @ ac	640 ac @ \$180/ac \$115,200
62	Custer	640	\$130 @ ac	\$140 @ ac	640 ac @ \$140/ac \$89,600
64	Custer	316.11	\$155 @ ac	\$175 @ ac	316.11 ac @ \$175/ac \$55,300
128	Custer	640	\$135 @ ac	\$145 @ ac	640 ac @ \$145/ac \$92,800
129	Custer	640	\$135 @ ac	\$145 @ ac	640 ac @ \$145/ac \$92,800
130	Custer	640	\$140 @ ac	\$160 @ ac	640 ac @ \$160/ac \$102,400
131	Custer	640	\$135 @ ac	\$145 @ ac	640 ac @ \$145/ac \$92,800

LAND BOARD INFORMATION REPORT

DATE: April 17, 2006

SALE NO(S): 7, 62, 64, 128, 129, 130, 131, 132, 233, 276, 286, 287, 288, 289, 290, 291 & 292	LESSEE:	COUNTY: CUSTER	RECOMMENDATION: SELL
LEASE NO(S):			
AREA OFFICE	Northwestern Land Office: Southwestern Land Office: Central Land Office : Northeastern Land Office: Southern Land Office: X Eastern Land Office:		
Current Classification:	Ag: X Grazing: Timber: Other		
Appraisal	Yes: X No: Conducted by Dept.: Contracted: X		
Results of MEPA Public Comment	Sell. If yes, explain:		
Does the parcel have public access	Yes: No: X If yes, explain:		
Does the parcel/s provide access to adjacent private lands?	Yes: No: X If yes, explain		
Extent of infrastructure	Roads: No Water: No Availability of Utilities None. power: telephone: water: sewer:		
Potential for development or value-added activities that complement local and statewide economic development.	There is limited potential for appreciation in value.		

Reasons for Recommendation:

Sell. Currently, all parcels have a low rate of return for the school trust and they are scattered, isolated parcels that create additional administrative burdens to the local field office to manage effectively.

Please attach all supporting documentation, such as letters and maps that are of value in making the decision

This form must be signed and dated below by the individual completing the form, and must be reviewed and approved by staff as indicated in the subsequent blocks.

Candace Durran

Signature of Individual Completing the Form

04/06/2006

Date

132	Custer	629.48	\$110 @ ac	\$125 @ ac	629.48 ac @ \$125/ac \$78,600
233	Custer	319.6	\$145 @ ac	\$170 @ ac	319.6 ac @ \$170/ac \$54,300
276	Custer	320	\$140 @ ac	\$165 @ ac	320 ac @ \$165/ac \$52,800
286	Custer	640	\$135 @ ac	\$145 @ ac	640 ac @ \$145/ac \$92,800
287	Custer	640	\$150 @ ac	\$165 @ ac	640 ac @ \$165/ac \$105,600
288	Custer	640	\$135 @ ac	\$145 @ ac	640 ac @ \$145/ac \$92,800
289	Custer	640	\$150 @ ac	\$175 @ ac	640 ac @ \$175/ac \$112,000
290	Custer	640	\$135 @ ac	\$145 @ ac	640 ac @ \$145/ac \$92,800
291	Custer	640	\$135 @ ac	\$145 @ ac	640 ac @ \$145/ac \$92,800
292	Custer	320	\$135 @ ac	\$145 @ ac	320 ac @ \$145/ac \$46,400
Total		9585.19 ac			Total est. revenue \$1,461,800